



July 10, 2008

The Honorable Karen Bass  
Speaker  
California State Assembly  
State Capitol  
Post Office Box 942849  
Sacramento, California 94249-0046

The Honorable Michael Villines  
Republican Leader  
California State Assembly  
State Capitol  
Room 3104  
Sacramento, California 94249-0029

The Honorable Don Perata  
President pro Tempore  
California State Senate  
State Capitol  
Room 205  
Sacramento, California 95814

The Honorable Dave Cogdill  
Republican Leader  
California State Senate  
State Capitol  
Room 305  
Sacramento, California 95814

Dear Speaker Bass, Senator Perata, Mr. Villines and Senator Cogdill,

California is facing the most significant water crisis in its history. We are experiencing the second year of drought conditions, accentuated by the driest spring ever recorded. Water reserves are extremely low and would not be able to meet public demand during a major disruption to the state's water delivery system such as an earthquake or levee breach. Court-ordered restrictions on water deliveries from the Sacramento-San Joaquin Delta have reduced supplies from the state's two largest water systems by 20-30 percent. With the Delta ecosystem near collapse, the Colorado River Basin in recent drought and the Sierra snowpack now dangerously unreliable due to global warming, many communities throughout California are facing mandatory restrictions on water use and/or rising water bills. If the drought continues into next year, the results could be catastrophic to our economy.

The current wildfires in California are the most menacing result of California's dry conditions. More than 680,000 acres have burned in the past month alone, more than 10 times greater than the 63,000 that had burned by this time last year.

The economic cost of the growing uncertainty around California's water supplies is significant. Farmers are fallowing prime agricultural lands, building permits have been put on hold and thousands of jobs in both urban and rural areas are being lost due to a lack of reliable water supplies. Finally, California's population is growing rapidly, but our statewide water system has not been significantly improved in three decades. Clearly, our water supply infrastructure is in a state of crisis.

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The crisis is no less severe for our fisheries and critical environmental resources. In two of the past three years, our once-thriving Pacific salmon fisheries have been simply shut down as former salmon strongholds throughout the state have become dangerously imperiled. The populations of Delta smelt and other native Delta fish have collapsed to tiny fractions of their former levels. Threats from aquatic invasive species, toxic discharges and pesticides abound. Restoring our fisheries and our riparian ecosystems in the face of all these challenges will require bold action.

We believe that now is the time to update the state's water infrastructure in order to restore a stable water supply and save our fisheries and rivers. For the past 18 months, we have worked together with you and environmental and agricultural interests, business and labor leaders and urban and rural communities in an attempt to develop a water infrastructure investment bond to put before California voters this year. All of these efforts have recognized the need for a comprehensive water management strategy, and all of these efforts have had a great commonality of approach to ensure a clean and reliable water supply and healthy ecosystem for the future of California. However, an agreement has eluded us.

The remaining issues of concern are important, but we believe they are not insurmountable. In the spirit of cooperation and bipartisanship, we respectfully submit the attached proposal as a compromise water bond package for your consideration. We believe it is imperative that a comprehensive water infrastructure bond measure be placed on the November 2008 election ballot. We cannot afford to wait any longer.

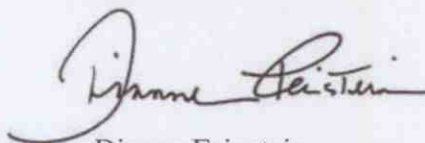
In developing this proposal, we have listened carefully to legislative leaders and the many diverse stakeholders who have worked on this issue over the past 18 months. We have built upon the areas of general agreement and tried to find common ground to resolve the remaining differences. Most importantly, this package acknowledges the need to move swiftly to modernize our water supply systems in ways that safeguard and heal the Sacramento-San Joaquin Delta and other ecosystems, restore habitat, expand surface and groundwater storage, improve conveyance, maintain and restore water quality, promote water recycling and use water resources more efficiently.

We jointly pledge our commitment to work with you to submit a comprehensive water bond to the voters this November and to campaign to ensure its passage.

Sincerely,



Arnold Schwarzenegger  
Governor



Dianne Feinstein  
Senator

Attachment